

11th November 1965]

[*Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]*

MR. SPEAKER : Judging from the nature of the work pending, may I take it that we are sitting to-morrow also? Hon. Members may be aware that I announced at the beginning of the sitting that the House would be sitting till the 12th November. However, I find there were suggestions that the House should adjourn to-day. But as it may not be possible to finish the business to-day, I wish to announce that we are sitting to-morrow also.

II.—GOVERNMENT MOTIONS.

(1) SUSPENSION OF RULE 41 (3).

THE HON. SRI M. BHAKTAVATSALAM : Sir, under Rule 244 of the Assembly Rules, I move—

“ That sub-rule (3) of rule 41 of the Madras Legislative Assembly Rules, in so far as it requires that not more than one matter shall be raised under Rule 41 at the same sitting, be suspended ”.

The motion was put and carried, unanimously.

III.—CALLING ATTENTION TO.

(1) ACCUMULATION OF STOCKS OF YARN.

SRI V. SANKARAN : Sir, I wish to call the attention of the Hon. Minister for Industries to a matter of urgent public importance, namely the glut and the accumulation of stocks of yarn with the spinning mills in the State, the consequent danger of large scale unemployment of thousands of labourers in these mills and the prompt steps to be taken to avert the same.

THE HON. SRI R. VENKATARAMAN : I wish to make the following statement :—

There are 156 textile mills in the State producing about 70,000 bales of cotton yarn per month of which 50,000 bales are available for civil consumption. The optimum capacity of the handloom industry is about 20,000 bales a month.

Yarn produced by the textile mill in our State is surplus to our requirements and nearly 50 to 60 per cent of yarn intended for civil consumption is sold to consumers in other States. Due to national emergency and the credit squeeze initiated by the Reserve Bank of India there was unprecedented shrinkage of trade resulting in accumulation of stocks.

The Southern India Mill Owners' Association requested the Government to grant reliefs to tide over the difficulty by way of removal of excise duty on cone yarn and fine yarn, advance by

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commercial banks of loans up to 90 per cent of the value of cotton yarn and cloth as against 70 per cent now in force, advance by commercial banks on block account, postponement of collection of block loans obtained from banks and financial institutions, postponement of payment of electricity charges and condonation of delays in payment of provident fund contributions, issue of guarantee by the Government to Reserve Bank of India for a sum of Rs. 5 crores to enable finance being made available to the co-operatives to buy handloom cloth and stock the same and procurement of stocks of cotton yarn by the State society. The requests were examined by the Government. The following reliefs have been extended to the industry :—

(i) With a view not to hamper free trading in yarn, the voluntary price regulation scheme was withdrawn from 1st July 1965.

(ii) The Textile Commissioner has discontinued from the same date the voluntary yarn distribution scheme and the hank yarn obligation in respect of Nf. 50 and above.

(iii) The Reserve Bank of India has introduced as a temporary measure a scheme of special accommodation to Banks under the Bill market scheme for facilitating financial assistance to the textile mills which have fully utilised relative credit limits in their favour prevailing as on 1st October 1965 up to the limit of the value of two weeks' production of cloth and yarn. This special accommodation would be available for a period of three months.

(iv) Electricity dues have been deferred for a period of one month.

Six textile mills have so far applied for block loan facilities and they are being examined. The recent power cut imposed by Government had some salutary effect on the stock position of yarn by way of low production and reduction of existing stock. The accumulation of yarn is mostly with the weaker units and larger units with chain of dealers are not holding sizable stocks. Government feel that the accumulation of stocks will gradually thin down and there would be no closure of mills resulting in unemployment.

(2) NON-AVAILABILITY OF BABY FOODSTUFFS

SRI V. R. NEDUNCHEZHIYAN : Sir, I call the attention of the Hon. Minister for Food to a matter of urgent public importance, namely the non-availability of baby foodstuffs in markets and the consequent sufferings of the people of our State.

THE HON. SRI V. RAMAIAH : Sir, as early as October 1964 it was brought to the notice of the Board of Revenue that infant and invalid foods were not available to bona fide consumers at reasonable rates in Madras City and that the entire stock found